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APPLIANCES

BUSINESS DEVELOPMENT

APPLIANCES

GENERAL OUTLINE

GUIDE BOOK III — CHAPTER 1

ISSUED MAY, 1922

HEADQUARTERS
JOINT COMMITTEE FOR BUSINESS DEVELOPMENT
29 WEST 39th STREET
NEW YORK CITY

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INTRODUCTION

IN any movement in the electrical industry in the interest of more business the value of an appliance business merits careful study. Fundamentally, appliances are a source of merchandising profit for the manufacturer, jobber and contractor-dealer; for the central station they are income producers and offer merchandise profit in their sales. The third party to any successful business venture, the public, receives full benefit, getting value in the device itself and even greater value in the service rendered by it.

The Appliance Department of the Joint Committee for Business Development believes that a business growth of common benefit and of substantial proportions can take place. It is believed that enthusiasm aroused by common interest and sustained in constant effort in appliance promotion cannot fail to produce fruitful results.

Appliance promotion is of marked value in getting customers and holding them. If it is difficult to induce a man to wire his home, sell his wife the "idea" of doing some household service electrically—the washing, the ironing, the sweeping, etc. Outlets for obtaining this service can then be easily sold and the entering wedge is driven for the completely wired home.

If a customer is induced to buy a washing machine, or range, or vacuum cleaner, or other serviceable device, that customer will never again be without that service. The customer who once owns these appliances will be sure to move into a wired home, or as soon as moving into an unwired home, will soon become a customer without solicitation.

BUILD BUSINESS WITH BUSINESS BUILDERS.

There are two other reasons why electric appliance selling and promotion is desirable. They concern the obligation of a public service company to the public. The public is being sold the idea of doing things electrically in the household by reason of the convenience, cleanliness and moderate cost of appliances. People look to their public service company to give them intelligent advice on these devices; to sell them if desired.

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The other obligation of the central station is to stand between manufacturer and customer in preventing worthless devices getting into the homes. The woman considers an electric device a part of her electric service. And lack of interest in electric devices on the part of a central station will in time jeopardize its electric service.

As a means of developing more business the Joint Committee would urge every central station to have at least one person in the organization devoting all his time to appliance promotion. If there is one now, or just a few, double up.

The assistance of central station executives in developing the appliance business is earnestly requested. A definite program for promoting the sale of electric devices, merits the favorable consideration of every central station.

The varying conditions existing in various sections of the country relative to central station merchandising policy are recognized. There are those who sell aggressively; those who promote, but do not sell; those who have organized subsidiary companies to do their merchandising; and, there is the relatively smaller class that has not yet become interested in appliances.

When the service company actively engages in merchandising, it is essential that all of the factors entering into the cost of selling be carefully considered so that the merchandising department, standing upon its own basis, may show a net profit. By pursuing this policy, permanency of the department is insured and competition, co-operation and good-will of other merchants are invited, all of which leads to a rapid and healthy development of the appliance business.

Business development along the lines of appliance promotion can be more successful when the central station company executives are convinced of the value of appliances, for central station activity in the development movement is essential. This activity may or may not be directed in merchandising by the company itself.

The movement can also succeed best when employees of electrical dealers, contractors, jobbers, manufacturers and central stations, as well as the executives and owners, know the value of the service rendered by appliances through personal experience. Public appreciation can then be developed by enthusiasm from within the industry, and to what degree, depends upon the interest of the workers. This interest should be aroused to a degree that will produce aggressive action.

As a suggestion of the plans to be pursued, this General Outline is presented. It may not include unique ideas; it does include ideas of merit, substantiated by successful experience. All may

have tried some of these sales suggestions. No contractor-dealer, jobber, manufacturer or central station has tried all of them. Detailed information upon any subject contained herein will be furnished upon request. It is proposed to issue from time to time additional Chapters dealing fully with special topics such as "The Electric Laundry," "Electric Cleaning," "Electric Cooking," "Electrified Furniture," "Electric Refrigeration," "Electric Heating," and similar important subjects in the appliance field.

PART I

DEVELOPING THE PUBLIC DEMAND

THE following suggestions are offered for increasing appliance sales, both by general promotion and by direct sales effort. They are offered for selection and local application.

In this General Outline only brief mention can be given of the different activities. Those interested are earnestly requested to write for details upon any suggestion that may appeal to them. All dealers, contractors, jobbers, manufacturers and central stations are urgently requested to send to the Joint Committee for Business Development, sales suggestions which experience has shown to be successful and which are not included herein.

SECTION I—GENERAL PROMOTION

Promotion of Organization

In the larger communities, local business development can be increased through organized effort. Some local form of working unit is essential to produce the maximum of interest in this movement and to more readily secure financial assistance from the other branches of the industry. The organization can take the form of an Electric Club or Board of Trade. In a small community, the "organization" for business development must be the total force of employees, and in addition, all others in the community that can be interested. (Suggestions for promotion of co-operative development organizations will be sent upon request.)

Electric Home Exhibits

Electric homes as a means of developing electrical appliance business have proved remarkably successful from Coast to Coast, and excellent advertising mediums. Cleveland had over 83,000 people visit three such homes, and not only the builders are enthusiastic for this kind of promotion, but the electrical interests are

profiting from this educational effort. The same story comes from the electrical interests in other towns and cities, such as San Francisco, Milwaukee, Fort Smith, Utica, Los Angeles and Lawrence, that have lead in similar movements throughout the country.

Canada has been no less successful. Toronto tried the electrical home idea and in thirteen days had an attendance of 19,550, an average of 1,504 per day. Each person came away with an electric message that meant business for electrical people. Hamilton, Montreal and other cities have also had successful "Electrical Homes."

Electrical homes have revealed how the average person is uninformed on electrical devices and yet how interested they can become. Generally speaking, the homes have been temporary undertakings. In the larger cities, exhibition homes, as permanent advertising projects, can be successfully worked out to common advantage in co-operation with merchants outside the industry. (If interested write for further information on appliance promotion through exhibit homes.)

Co-operative Advertising

Once a local working organization is formed, co-operative advertising is possible. Only in certain sections of the country has this feature, though common practice, been a part of appliance promotion. Usually a fund for this purpose can be raised among the branches of the industry represented in the community.

Some of the larger manufacturers are now extending their national advertising to include newspapers having widest circulation in certain sections. This offers a nucleus for an advertising page periodically, in which manufacturers generally are inclined to co-operate. The advantage in tying in with this advertising should not be overlooked.

Schools and Colleges

Cooking schools and all educational institutions offering courses in domestic science should be a part of any promotion plan. Students are going into their homes supposedly with the latest ideas on housekeeping. Are they taking the electric message? Unfortunately, in some leading institutions the students do not associate "modern" and "electric" as synonymous. It is important that this idea should be established.

In the public schools of every city or small town there is a course in Domestic Science. If the class is not cooking on electrical devices, here is an opportunity to get the business. It is important no matter how small. The pupils of today are the housekeepers of tomorrow.

Greater interest in the "service of electricity" is created if all electrical merchandisers and central stations keep in contact with institutions giving Domestic Science courses, for the purpose of hiring students trained in cooking with electric devices, or help to place them with electric concerns where they can aid in spreading the electric message.

Lectures

More business can be created through general public stimulus. Possibilities of development lie in telling and showing the public which can best be done, by repeating constantly the message of service through appliances. Many manufacturers now active in the promotion field may be ready to join in the work.

The central station should take a leading part and the expense will be justified. No real opportunity should be lost in spreading the advantages of electric service in the household. There are many fraternities, women's clubs, church societies, and other local organizations on the lines of most lighting companies, which would welcome occasionally an interesting talk on the problems of home labor savers. This opportunity has been taken advantage of in many communities with striking success.

There are trade organizations which offer equally fine opportunity for planting the thought of electricity as a servant in the business. This is the time to have more personal messages delivered than ever before.

Every salesman who can talk interestingly before an audience on the subject of labor saving in the home through reason of the use of electrical devices, should be equipped to appear before every possible gathering of women.

Contests

One way to reach women in the home is through the children. Most school teachers are in a receptive mood for suggestions which increase a pupil's interest in something really educational. Contests in connection with composition work will be well received.

For example: In one city a central station, in connection with a washing machine sale, arranged with a school teacher in the town for prizes to be offered to pupils writing the best composition on the subject, "How Can Electricity Make Mother's Work Easier."

There were 600 essays written, and previous to that time the students were making constant visits to the stores for circulars, etc. Undoubtedly members of hundreds of households took part in the preparation of these essays and learned something about electric devices.

Without solicitation, the principal of a school in a neighboring town asked for a similar contest which indicated an interest on the part of the school authorities. The newspaper of the town gave considerable publicity to the contest.

Can You Write the Winning Essay?

Eight Newton Boys and Girls Will Win Prizes Offered by
The Edison Electric Illuminating Company
OF BOSTON

*Prize Essay Contest Open to Every
Newton High School Student, on*

“ELECTRICITY IN THE HOME”

Here are the Conditions of the Contest!

Write as far as possible from your own experience at home. why your mother uses a vacuum cleaner instead of a broom; or how much time she saves by using an electric iron in place of the old-fashioned kind; what a difference the electric washer makes in the cost of doing the washing. Do not make a catalogue of electrical appliances.

If you are a Freshman or a Sophomore, tell your story in not more than 300 words; if you are a Junior or a Senior you may use up to 400 words. There will be a prize for the best essay by a boy and for the best one by a girl in each high school class—eight prizes in all.

Dec. 4th is the closing date!

On or before the closing date, turn in your paper to your English teacher at high school, and watch for the announcement of prize-winners in December.

Fair for Every- body.

Remember, you are competing with the boys and girls in your own class only, so everyone has a fair chance to win a prize. The essays will be judged by Maurice Lacey, Head Master of the West Roxbury High School; Frank Black, Publicity Director of Wm. Filene's Sons Co.; and Dennis McCarthy, the author.

Choose your Prize!

If you write one of the eight winning essays you may choose any one of these prizes:

**A BROWNIE CAMERA
INGERSOLL WATCH
EVERSHARP PENCIL
WATERMAN FOUNTAIN PEN
EVEREADY FLASHLIGHT**

Will You Be One of the Lucky Eight?

Newspaper Advertisement Announcing High School Essay Contest

Another method of contest is between the salespeople themselves. This is very essential, if no commissions are paid, and will encourage ambition and larger volume of sales under all conditions.

Interpreting Electric Installation

In this connection, it is interesting to note that in the report of the Department of Commerce, the statement is made that English architects are following the plan of including electric devices in the original electrical equipment of their buildings. In the same way builders of modern apartment houses in the larger cities are featuring some electrical equipment. The idea is not being followed in home building, and for this reason a wide field of activity is open.

Start selling when the wiring is put in the home. Why think of electric installation as just wiring and fixtures. Interpret "installation" to include some appliances. Sell this idea to the local building contractors and architects. The same message may be sent through the national associations representing each class of business.

"Ask Them to Buy"

This slogan is borrowed from an association of automobile supply dealers. It is particularly applicable in the central station business and to contractor-dealers. Customers are daily visiting their offices in numbers, varying from a score to thousands, and they are all prospects for electrical devices.

If they do not see a display of electric appliances, there can be no interest aroused. Even if there is a display, the eye may not fall on any one article of special interest, and an opportunity is lost in the sale of an additional electric service that means added profits if the customers visiting the office become acquainted with the electric "servants" they should have in the home.

Why not "Ask Them to Buy." Given this thought, tactful salespeople can make more business. Those now merchandising extensively find it successful. Give it a trial and watch results.

SECTION II—DIRECT SALES EFFORT

Educating Sales Force

Sales are made or lost by the salesperson. It is recommended that at least one person in each organization be assigned to appliance work and be well informed on the subject. Whether one salesperson or fifty, they should be well trained. Have them instructed by the manufacturers' agents and jobbers' salesmen so that they "know" their goods.

Where there are several salesmen, weekly meetings are advisable. Concentrate on the selling force, and educate them to the point of interest in the devices they sell beyond the actual financial return for selling them. Sell the service rendered by the devices and not just the devices themselves.

Some Sales Suggestions

ADVERTISE. It is the experience of those who have made a study of the situation that from 3 to 5 per cent of gross sales of appliances should be spent in advertising.

GO TO THE PEOPLE. If the central station has no salesmen on appliances, or there is no electrical dealer in town handling appliances, it is suggested that contractors be offered a commission on the sale of devices. To reach remote districts it may be necessary to follow the practice with merchants in other lines. Make electric appliances easily available.

PAY-AS-YOU-USE. The practice of easier payments has proved effective in stimulating sales and a number of sound plans have been developed. It is suggested that "installment" payments is not as popular a term as "time," "easy," "pay-as-you-use," etc.

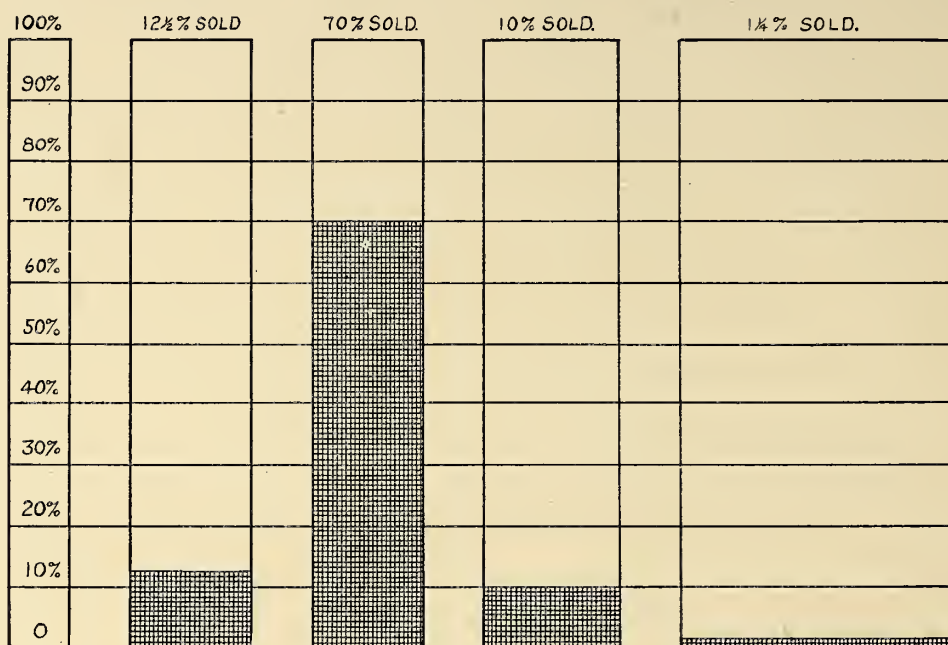
TRIAL SALES. Some electrical contractors leave an iron "on trial" at the time wiring is completed. One large central station always leaves an iron "on trial" at the time of installing a new meter. At least 50 per cent of them are purchased by the new customers.

TIE-INS. There are certain national advertising movements that have become annual events. They reach nearly every large community and get the attention of thousands of buyers. National Coffee Week is an example. At the time that an investment of a few hundred thousand dollars is making "coffee" a headliner, do not miss the opportunity to tie-in with Percolator Week. There are many similar opportunities.

ELECTRIC WEEKS. Public attention should be crystallized on electric goods by following the same idea that evolves National Coffee Week, National Prune Week, National Canned Goods Week, etc. This idea can best be carried out first on a regional basis. For example: New England might be having an Iron week when California is having a Toaster week.

Volume sales can be produced by focusing public attention. At all such times greatest results will be obtained through co-operation of all four branches of the industry. It should be a well-planned effort with co-operative advertising, price incentive, etc.

One of the manufacturers has prepared the following chart showing the comparative market for four devices—the iron, toaster, heater and grill:



Percentage Sales of Toaster, Iron, Heater and Grill Appliances

IN the left hand column the 100 per cent represents the total of approximately 7,600,000 wired houses (1922). The other four columns indicate an estimated 12½ per cent of the homes are equipped with toasters, 70 per cent with irons, 10 per cent with heaters and only 1¼ per cent with grills.

The table grill is a most serviceable device. It is a profitable device for the merchandiser to handle, and it is an income producer for the central station and an educator for electric cooking. The field for appliance sales is far from saturated.

Pick out a good seller, and start plans for your "Week." Continue as often as thoughtful preparation will permit.



PART II

ENLISTING THE INTEREST OF EMPLOYEES

A SUCCESSFUL automobile manufacturer has built up business under a slogan "Ask the Man Who Owns One." This is a follow-up on the old adage "experience is the best teacher." The organization that is to sell appliances must first know them by experience. These thoughts are the basis of these suggestions.

To develop an appliance business to maximum proportions, all employees who earn their living in the industry should be "sold" on the idea of the service given by appliances. Once sold they form a tremendous advertising medium.

It is recommended that the "Do it Electrically" message be placed before the employees at every opportunity. This can be in short talks at social meetings or longer discussions at regularly planned meetings. Manufacturers are pleased to furnish representatives to give talks on various devices. If possible, serve refreshments from electric ranges or other devices in full view of those present and the educational message is put over at greater advantage.

Employees' Contests form another method of getting the workers in the industry interested in electrical devices. They can best be carried on by both local central stations and contractor-dealers, the thought being to tie in with sales by the regular selling force. During these special periods, a sales stimulus is certain if prizes can be offered to employees outside the selling force, who produce most orders from their friends. The prizes should be electric appliances. To make the sales force more effective one of the devices on special sale can be given free for every "so many" sold, the amount to be at the discretion of the person in charge of sales.

Every employee of every central station, jobber, dealer, contractor, and (wherever practicable) manufacturer, who has a wired home should be urged to purchase for his or her own use one new electric household appliance this year. Emphasis should be placed on this feature of the plan.

The successful use of a device is the best salesman for demonstrating its value. The enthusiasm of those employees of the industry who use devices will spread to other employees and the public, thereby giving impetus to appliance sales development. It is recommended that in order to help in securing the general use of appliances by the employees in the industry that concessions in price be given.

Start employees with a knowledge of electrical devices so that they will have confidence in them. Have them lead by some one eager for appliance sales development, and the *Public* is sure to follow.

PART III

WHY THE CENTRAL STATION SHOULD CO-OPERATE IN THE PRO- MOTION OF THE SALE OF ELECTRICAL APPLIANCES

SECTION I—LOAD BUILDING

DURING 1921, there was wide discussion about the income producing value of electrical household appliances. The Philadelphia Electric Company desiring to ascertain an answer to this important subject, as applicable to its own company, devised and carried out a systematic method of testing which produced surprising results. This is contained in the Russell-Berger paper presented at the Convention of Edison Illuminating Companies in the Fall of 1921. This deserves most careful study.

Following are two of a series of convincing charts in that paper:

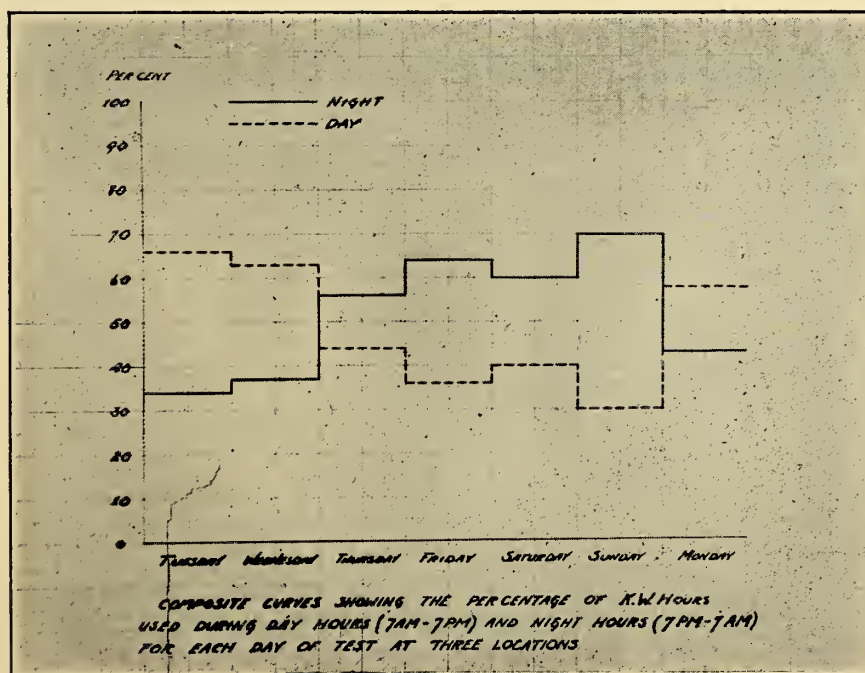


CHART 1

Chart 1 has composite curves showing the percentage of kilowatt hours used during the day hours, 7:00 A. M. to 7:00 P. M., and the night hours, 7:00 P. M. to 7:00 A. M., for each day of test. Commencing with Tuesday, which shows the highest day load due to its being the universal ironing day, the Philadelphia Company finds that 67 per cent of the total energy consumed was used during the day, it of course following that 33 per cent of the total load would be consumed at night.

On Wednesday there was a daylight load which was 62 per cent of the total load, while the balance of 38 per cent of the load was after night fall.

On Thursday the day load bears 45 per cent of the total, 55 per cent being consumed during the night hours.

On Friday it shows a percentage of 38 per cent consumed during the day hours as compared to 62 per cent at night.

On Saturday 41 per cent of the total is day load, while 59 per cent is consumed at night.

On Sunday, the day load drops to 30 per cent of the total, 70 per cent being consumed at night.

On Monday 57 per cent of the total load was during the day time, and 43 per cent consumed from 7:00 P. M. to 7:00 A. M.

In summing up the whole survey, it was found that in over 1300 average homes in the city of Philadelphia, 50 $\frac{1}{10}$ per cent of the total out-put of energy was consumed from 7 o'clock in the morning until 7 o'clock at night, and 49 $\frac{9}{10}$ per cent was consumed from 7:00 P. M. to 7:00 A. M.

Now the question naturally arises as to how much of the day load can be definitely figured as the appliance load.

Sunday produced only a very slight load in the daytime. It will be granted that some appliances are used on Sunday—the percolator, the toaster, the grill, perhaps the fan, are quite likely to be in use sometime during the day; however, it is quite unlikely that any labor-saving devices will be put in operation on Sunday.

Granting that no appliances whatever are used on Sunday, and that the total load in the daytime is illumination, it is also fair to assume that on Sunday, when all the family is at home, more illumination will be used than would be the case throughout the week. Now if we give the appliances no credit whatever for any load on Sunday and figure that the total output on Sunday must be light, and then deduct the average of the Sunday load from the average of the week-day load for the total number of houses used in this test, the difference may conservatively be called the minimum appliance load for the week of this test.

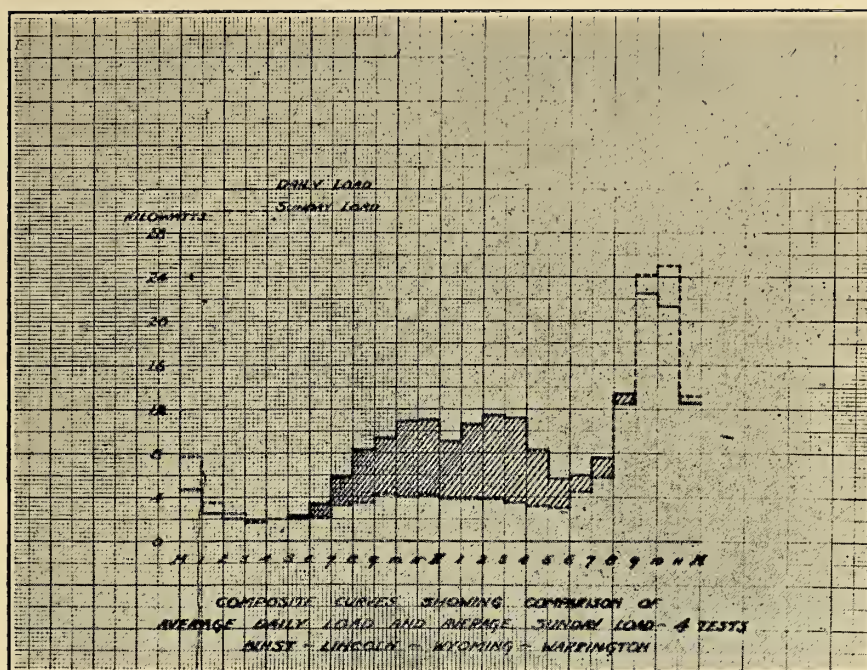


CHART 2

THE cross hatched area in Chart 2 shows the difference between the average Sunday load and the average week-day load, or a net appliance load which figures 33.5 per cent of the total out-put of 1300 residences for one week.

Other large cities like Cleveland, Brooklyn and Harrisburg have proved by conclusive tests that the proportion of residence income due to appliances is from one-fourth to one-third the total income.

The Society for Electrical Development is responsible for the following data. It is worthy of study. It is another suggestion to reveal the revenue producing advantage of appliance selling and promotion.

Appliance	Maximum Demand in Watts	Annual Kw. Hr. Consumption	Equivalent Hours Use of Demand	Rate	Annual Revenue	Annual Revenue per Kw. of Demand
Washer.....	300	50	66	\$.084	\$ 1.68	\$ 5.60
Grill.....	500	34	68	.084	2.85	5.70
Toaster.....	500	37.5	75	.084	3.15	6.30
Range.....	5,000	1500	300	.0325	48.75	9.75
Iron.....	575	67	116	.084	5.62	9.79
Percolater.....	400	42	105	.084	4.03	10.07
Cleaner.....	170	25	147	.084	2.10	12.35
Radiator.....	600	96	160	.084	8.06	13.43
Fan.....	40	31	775	.084	2.60	65.00
Refrigeration.....	300	864	2880	.0325	28.08	93.60

These are but few in a long list that might be presented. The value of appliances as income producers should not be overlooked. No one can afford to neglect their promotion as an important factor in developing more profitable business.

SECTION II—GOOD-WILL BUILDING

The SERVICE rendered by a central station company is of value to just what degree that the public is depending upon it. Are they selling just light and power, or are they measuring out "ELECTRIC SERVICE?"

Electrical appliances in use in the home increase the meaning of electric service to the customer. The person who depends on electric service for operating a washing machine, an iron, a vacuum cleaner and other devices will not think of the "lighting bill" as such. It becomes a "service" charge and appliances in this way change the viewpoint of the customer toward the central station. There is no idealism in this statement; it is practical fact.

ENDORSEMENT—CO-OPERATION

AT the invitation of the National Electric Light Association, members of various electrical organizations and branches of the electrical industry met with the Association's officials on January 9th, 1922, to consider the organization of a combined movement for Business Development.

This was enthusiastically endorsed and, realizing that concerted action is essential, the Joint Committee for Business Development was organized with headquarters at 29 West 39th Street, New York City.

The electrical organizations and the leaders of the electrical industry are earnestly co-operating in this movement which has for its purpose no less an object than to Electrify America.

GUIDE BOOKS

The activities of the Joint Committee for Business Development are at present grouped under five general headings, or subjects. Each subject is the title of a Guide Book. Chapter 1 of each Guide Book has been issued in booklet form, as follows:

Guide Book I—Organization
Chapter 1—General Outline

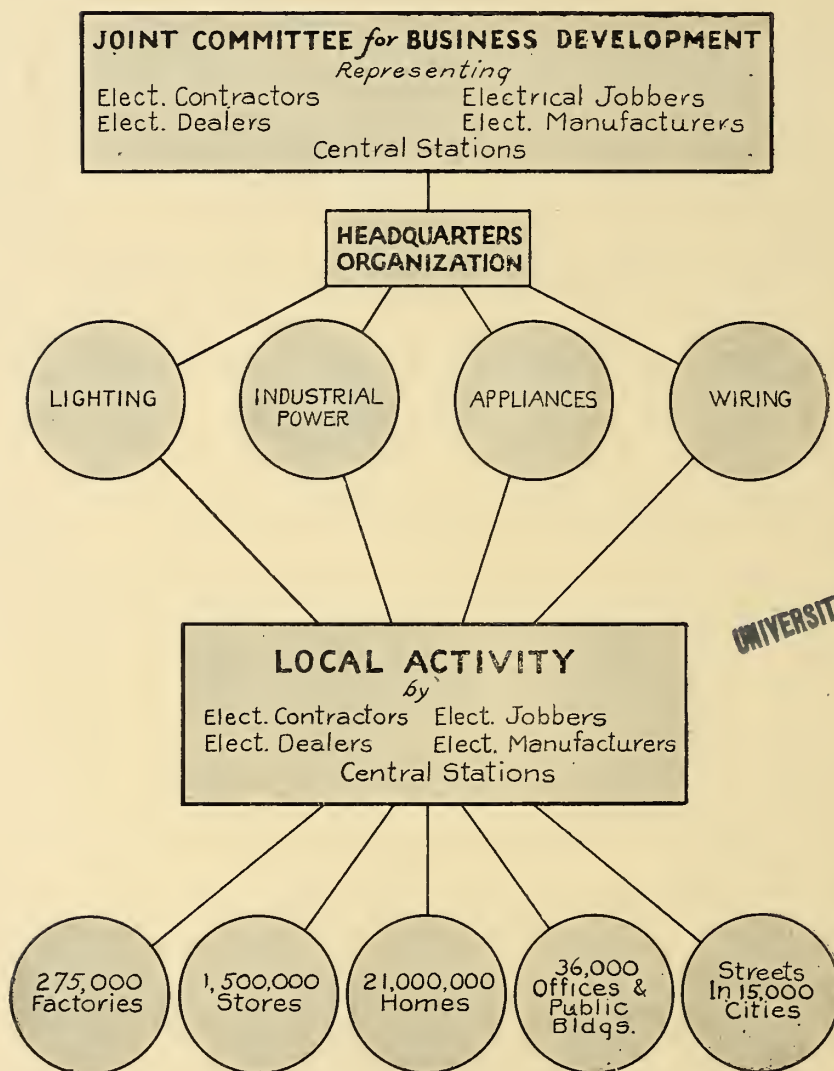
Guide Book II—Lighting
Chapter 1—General Outline

Guide Book III—Appliances
Chapter 1—General Outline

Guide Book IV—Wiring
Chapter 1—General Outline

Guide Book V—Industrial Power
Chapter 1—General Outline

Chart of Activities of the Business Development Movement



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